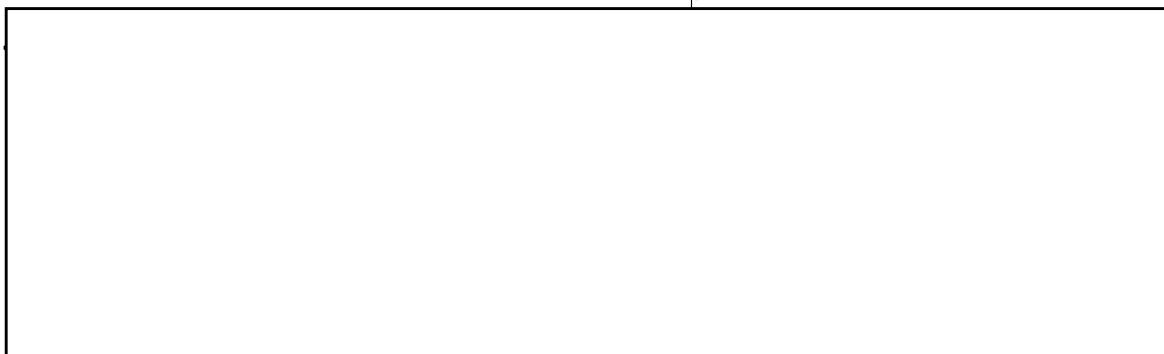


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ROLE OF THE STATE PLANNING COMMITTEE APR 75
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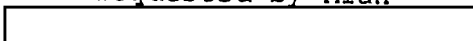


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USSR: Role of the State Planning
Committee (Gosplan)

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Information requested by Alan
Greenspan



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USSR: Role of the State Planning Committee (Gosplan)

The State Planning Committee (Gosplan) is the highest-ranking economic planning organization in the USSR. It is responsible for (a) drawing up annual and five-year plans, which cover the several thousand most important products of the Soviet economy, and (b) monitoring the implementation of the plans. Gosplan employs roughly 50,000 people, including economists, industrial and technical specialists, statisticians, and computer experts. It has offices in the capitals of each of the 15 union republics.

Relation to Council of Ministers

Gosplan is a powerful staff arm of the Council of Ministers, the highest governmental body, headed by Premier Aleksey N. Kosygin. The Chairman of Gosplan, Nikolay Baybakov, is also a Deputy Chairman of the Council of Ministers.

Members of the Council of Ministers head the various economic ministries -- agriculture, construction, machine-building, light industry, etc. -- whose activities Gosplan shapes within the national economic plan. Gosplan gets its instructions from the Council of Ministers on the general goals of the economy and on major specific targets. In turn, the Council of Ministers is instructed on fundamental economic allocation issues (e.g., a stepped-up agricultural investment program) by the top decision-making body in the Soviet system, the Politburo of the Central Committee

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of the CPSU (Communist Party Soviet Union). Gosplan thus plays a technical and administrative, not a policy-making, role.

Planning at Apex

Gosplan is part of the machinery at the apex of the Soviet "command economy". Its functions replace to a large extent the market functions of Western-type economies. It effectively employs the absolute authority of the Soviet state in imposing the economic policy and decisions of the central leadership. At the same time, the ministries, enterprises, collective farms, and even individuals within the system make millions of lesser economic decisions that are (a) part of the process of breaking down and implementing the central decisions and bending them toward local conditions and vested interests, or (b) the result of Gosplan's being able to deal with only a fraction of the myriad decisions necessary in a complex economy, half the size of the US economy.

In putting together national plans and monitoring the results, Gosplan faces a complicated task of slicing the economic pie in several ways:

- by productive sector, which corresponds roughly to the ministerial organization of economic activity;

- by geographic area, which corresponds to the political divisions of the USSR and touches on the sensitive issues of how resources are allocated among the various ethnic regions;

-- by end use, which corresponds to the policy issues of the rate of increase in living standards and the pace of military development;

-- by physical flows, which corresponds to the problems of planning "material balances" or "input-output" relationships; and

-- by financial counterpart, which involves the planning of cash flows, ruble budgets, and bank credits (in the Soviet system, the planning of physical production dominates financial planning, both in priority and timing).

Review of Role

Gosplan, which has been the central planning agency since the late 1920s, has undergone numerous reorganizations that have altered the scope and method of work but not its fundamental responsibilities. Currently, Gosplan's planning role is the subject of considerable debate. At the December 1973 Party Plenum, the quality of Gosplan's work was attacked. Some Soviet economists have since suggested that Gosplan be relieved of its annual planning responsibilities so that it can concentrate solely on long-range planning. Primary planning responsibility would then shift to the individual ministries and to enterprises. All sides in the debate support increased computerization and more automated management of planning. Gosplan's supporters argue that computerization can improve the present system, while the critics claim that more advanced computers will permit better

planning by enterprises thereby lessening the need for centralized plans.

Note on Lebedinskiy

As Deputy Chairman of Gosplan and Director of the Main Computer Center, Nikolay Lebedinskiy is particularly interested in the applications of computer technology to national economic planning. In a February 1974 article in Kommunist, Lebedinskiy discussed the various proposals that planning procedures be made more flexible and continuous; e.g., one proposal calls for a new five-year plan to be drawn up every year and to extend a year beyond the last one. Like most senior Gosplan officials, Lebedinskiy strongly opposes the idea of sliding five-year plans on the grounds that it clashes with the annual directive planning. He is in favor, however, of letting enterprises use sliding five-year plans "as a guideline" in some aspects of their work. He also advocates sliding fifteen-year plans, in which a new fifteen-year plan would be formulated every five years.

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